There is mixed news coming from Congress regarding increased conforming loan limits. Recently, lawmakers voted to extend the FHA limit of $729,750 but dropped the Fannie Mae and Freddie Mac limit to $625,500. Those are the new maximums; the official limits are 125 and 115 percent of the local median, respectively, which is irrelevant to most of the Peninsula, where the county median for September was $646,000. On November 18, President Obama signed the bill into law, guaranteeing increased loan limits through 2013.

Some have taken issue with the increased FHA limit. California representative **John Campbell**, quoted in Bloomberg, called it **"just a bad deal,"** adding that raising only the FHA limit is a **"short-term fix."** At the risk of sounding like – gasp! – I agree with Republicans, I've got to agree with the Republican **Campbell** on this. Raising only the FHA limit is not only a partial solution, it's also a temporary one. I can't speak for you, but my first response after hearing the news (okay, my second one, after sifting through the arcane facts first) was this: what happens in 2014?

Almost since the day they raised the conforming loan limit (it was $417,000 before 2008), we've been waiting for the party to end. Three years later we've seen a couple of extensions but no sign that the government has a permanent understanding of the differences between areas with high real estate prices and Texas. If we're going to help homebuyers, lets help homebuyers; one size does not fit all.

This issue is even more acute in Burlingame where, lets face it, the impact of a $729,750 limit versus a $625,500 limit is negligible. It's nice that congress (partially) acknowledges the needs of high-priced communities, but $729,750 isn't going to buy a whole lot in the City of Trees.

Assuming a 20 percent downpayment, the new FHA limit allows for $912,500 worth of buying power. The Fannie and Freddie limit of $625,500 qualifies buyers for a home costing up to $781,875. As of December 1, there were 31 active single-family homes on the Burlingame market. Only four were priced below $912,500. Two were listed for less than $781,875. The difference between the new FHA limits and the Fannie and Freddie limit is about 6 percent of the available market – not exactly significant.

The point here is that the government would have to raise conforming and/or FHA loan limits to $1 million to significantly impact a market like Burlingame's, where September's historically bad average and median ($950,000, 28 percent lower than August's $1.32 million and 13 percent lower than September, 2010's $1.092 million) is still too high to finance with a $729,750 loan.

This is not to say that three years of raised conforming loan limits have had no impact whatsoever on Burlingame. Most local realtors will tell you that increased limits had much to do with the run on homes located east of El Camino Real in 2009-2010. In 2011, the entry-level market slowed. The present state of available housing – 31 active SFR listings, only six listed under $1 million – is proof.

To call the ups and downs of conforming and FHA loan limits "irrelevant" to Burlingame is harsh but not altogether untrue. The good news is that in 2014, when we go through this all over again, Burlingame will again be on the sidelines. That's one of the backhanded perks of living in a high-priced place.